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Congress of the United States

House of Representatives

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September 10, 2008

The Honorable Henry M. Paulson, Jr.
Secretary
Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Mr. Secretary:

I am writing about reports suggesting that the former chief executive officers of Freddie Mac and Fannie Mae might receive millions of dollars in severance payments and other compensation upon their departure from their respective companies.

Earlier this year, the Committee on Oversight and Government Reform held a hearing and conducted an investigation about the compensation, severance, and retirement packages granted to the CEOs of three corporations deeply involved in the mortgage crisis. Serious questions were raised about the appropriateness of providing multi-million dollar departure packages and other benefits to CEOs who had presided over multi-billion dollar losses.

These questions are magnified in the case of the compensation of the former CEOs of Freddie Mac and Fannie Mae. The collapse of these companies is inflicting broad economic pain across the nation and billions of taxpayer dollars are now at risk. It would seem difficult to justify rewarding the former CEOs with lavish compensation packages at a time of so much economic hardship.

In order to assist the Committee in its understanding of this issue, please provide the Committee with copies of all documents related to the severance compensation or other payments and benefits that have been or could be provided to Richard F. Syron and Daniel H. Mudd after their departure, including:

1. Employment agreements, severance agreements or other compensation plans or policies;
2. Documents related to the Federal Housing Finance Agency's power to reduce or eliminate any severance compensation; and
3. Documents created by your agency regarding severance compensation, such as recommendations or analyses regarding appropriate severance compensation.

The Honorable Henry M. Paulson, Jr.
September 10, 2008
Page 2

I request that you provide these documents to the Committee by September 23, 2008. In addition, I ask that a representative from your agency brief Committee staff on this matter as soon as practicable.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please contact me or ask your staff to contact Roger Sherman or Michael Gordon of the Committee staff at (202) 225-5051 if you have any questions concerning this request.

Sincerely,



Henry A. Waxman
Chairman

Enclosure

cc: Tom Davis
Ranking Minority Member